Daily Report

Latin America

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FBIS-LAT-89-058 *28 March 1989*

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Cuba

Castro Closes Security Anniversary Ceremony

FL2703132389 Havana Tele-Rebelde Network in Spanish 1100 GMT 27 Mar 89

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba [PCC] Central Committee, has closed the main ceremony marking the 30th anniversary of the foundation of the State Security organs which was held at the Karl Marx Theatre in our capital.

Also present with Fidel were Army General Raul Castro, second secretary of the PCC Central Committee and FAR [Revolutionary Armed Forces] minister, as well as other members of the PCC Central Committee Politburo, and Division General Jose Abrantes, minister of the interior.

In his speech, the commander in chief pointed out that the fruit of the work done by the State Security organs would not have been possible without a revolution. He added that their fruit has been possible because they defend everyone's cause which is undoubtedly the most noble of causes.

Raul Castro Sends Letter

FL2703135289 Havana Tele-Rebelde Network in Spanish 1100 GMT 27 Mar 89

[Text] On the occasion of the 30th anniversary of the founding of the State Security organs, Army General Raul Castro has sent the organization a congratulatory letter in which he said: This significant event permits us to recall with satisfaction how the accomplishments of those organs are indissolubly linked to the history of defense, survival, development, and perfection of the revolution.

Dear comrades, please accept the warmest of congratulations and rest assured that your dedicated and often anonymous work will also always be a guarantee of the continuity of the Revolution.

Soviet Ambassador on Gorbachev's Visit

FL2703154289 Havana Radio Progreso Network in Spanish 1100 GMT 27 Mar 89

[Text] The Soviet ambassador in Havana, Yuriy Petrov, said yesterday that Gorbachev's visit to Cuba will give a powerful thrust to the future development of the fraternal relations between the peoples of Cuba and the Soviet Union. Petrov also affirmed that the visit will be a very important event for the communist parties of the two countries.

The Soviet ambassador talked about the conversations that Fidel and Gorbachev will hold here. He said, undoubtedly, the dialogue will encompass bilateral relations and a wide spectrum of international subjects. He thought that important matters to be discussed, among others, will be the exchange of experiences in building socialism, problems related to maintaining peace, the situation in Third World countries, and the foreign debt.

The Soviet ambassador pointed out that Gorbachev's visit to Cuba will be his first official visit to a Latin American country. Expanding on this subject, he said that these types of meetings transcend the limits of USSR interests in Cuba.

The Soviet ambassador also emphasized that during the current 5-year-period the trade volume between the Soviet Union and Cuba will be approximately 45 billion rubles, which is 32 percent higher than the previous 5-year-period.

Finally, Yuriy Petrov expressed to the Cuban people sincere wishes for happiness, well-being, and additional success in building socialism.

Ties With USSR Based on 'Political Equality'

FL2703193989 Havana Radio Rebelde Network in Spanish 1700 GMT 27 Mar 89

[Station Commentary]

[Text] Cuba and the Soviet Union have just signed the largest commercial trade and payments protocol ever agreed on for a 1-year period. The document allows for reciprocal supplies to amount to a total of almost 9 billion rubles for 1989, which grants the USSR a participation in Cuban foreign trade of over 70 percent.

This agreement raised various (?considerations) of a political nature, because it has been signed just a few days before the visit of the supreme Soviet leader, Mikhail Gorbachev.

In Moscow, the signing of the document is considered as a practical sign that the ties between Cuba and the USSR are founded on a solid base. Konstantin Katushev, chairman of the State Committee for Foreign Economic Relations of the USSR and signatory of the protocol for his country, himself, was specific when he said that the important economic and other ties between Cuba and the Soviet Union are based on political equality that governs the bilateral relations between the two countries.

Ricardo Cabrisas, Cuban minister of foreign trade, who signed for our country, noted the importance it has for the agreement to have been reached within the context of the (?reorganization) of the state's central administration and of the Soviet enterprise system.

Obviously, the signing of this agreement throws out the window a string of speculations from Western spokespersons who have predicted, with great publicity, the collapse of the just trade relations that Cuba holds with the socialist area, and in particular, with the Soviet Union.

Culture Minister Hart Arrives in Moscow
FL2703234689 Havana Radio Rebelde Network in Spanish 2302 GMT 27 Mar 89

[Text] Armando Hart Davalos, member of the Communist Party of Cuba Politburo and minister of culture of our country, has arrived in Moscow to participate in a meeting to create the CEMA temporary working group which will deal with technical-material resources in culture activities and mass media. This meeting follows up on CEMA agreements reached in previous coordination meetings.

Risquet Meets Bulgarian Communist Party Official
FL2703183589 Havana Tele-Rebelde Network in Spanish 1700 GMT 27 Mar 89

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba Central Committee Politburo, has received [Konstantin Ivanov] Dicho Atanasov, member of the Bulgarian Communist Party [BCP] Central Committee and first deputy chief of the Foreign Policy and International Relations Department of the BCP.

During the meeting, a broad exchange of opinions took place on the current tasks that face the parties of the two countries, subjects of mutual interest on the international situation, and the upcoming activities to be developed among the communist parties of the socialist area countries.

The Bulgarian party delegation ended its visit to Cuba with this fraternal meeting.

Ceremony Marks Anniversary of Battle of Zumbe
FL2803124789 Havana Tele-Rebelde Network in Spanish 1100 GMT 28 Mar 89

[Text] A ceremony has been held in Havana marking the 13th anniversary of the Angolan victory against the South African racist invasion and the 5th anniversary of the battle of Zumbe, in which Angolan and Cuban internationalists forced the retreat of UNITA [National Union for the Total Independence of Angola] troops that were trying to take that city.

The event was attended by Carlos Rafael Rodriguez and Jorge Risquet, both members of the Communist Party of Cuba [PCC] Central Committee Politburo.

Luis Dokui de Castro, Angolan ambassador to our country, referred to the events in his country saying that they are proof that peace and proletariat internationalism will triumph in the struggle. For his part, Pedro Ross Leal, secretary of the PCC Central Committee, said that victories like the ones in Zumbe, (Cangambe), and Cuito Cuanavale also permitted the defeat of the arrogant attitude of South Africa and the United States.

Spanish UNTAG Team Arrives in Luanda
FL2703123989 Havana Tele-Rebelde Network in Spanish 1100 GMT 27 Mar 89

[Text] The first group of Spanish military personnel who will be part of the UN Transitional Assistance Group [UNTAG] for Namibia's independence has arrived in Luanda en route to Windhoek. Lieutenant Colonel Luis Ferrus is heading the group which is composed of eight officers who were received at the 4 February International Airport by Antonio Sanchez Jara, Spanish ambassador to Luanda.

Ferrus said to PRENSA LATINA that the group will carry out logistical support tasks in northern Namibia where the UN ground forces will be deployed. The group will consist of 85 members, including pilots, mechanics, and ground personnel, as well as eight airplanes designated for the transportation of personnel, food supply, and if necessary, patients, the Spanish lieutenant colonel added.

Over 600 UN forces soldiers from 43 countries are already in Namibia.

Official Denies Receiving Guatemalans' Request
FL2803134189 Havana Radio Progreso Network in Spanish 1100 GMT 28 Mar 89

[Text] Cuba has announced that up to the moment, it has not received any request to accept the prisoners who have been rioting since Sunday in a Guatemalan prison. Cuban Vice Foreign Minister Ricardo Alarcon reported that he knows of no such request of this type from Guatemala, a country with which Cuba has no diplomatic relations.

Reports received in Havana indicate that about 200 prisoners who rioted in the Pavon prison, 35 km from the Guatemalan capital, requested a plane to fly to Cuba. Negotiations on the part of Guatemalan authorities to end the riot were at a standstill this morning. The prisoners are holding more than 600 people hostage, including dozens of visitors and children. The rioters are demanding a speedier legal process (?for those) detained for more than 3 years, reduced prison sentences, and improved prison conditions. The prison can hold 300 people. At this time there are about 1,000 prisoners there. Up to the moment, the incidents between the rioters and prison authorities have left about 7 dead and more than 20 injured.

Miami Firm Bombed; Anticommunists Suspected
FL2803140889 Havana Radio Progreso Network in Spanish 1100 GMT 28 Mar 89

[Text] A Miami travel agency, the only one authorized to organize flights to Cuba for Cubans residing in the United States, has been the object of an attack. The AGENCE FRANCE-PRESSE reported that the attack was made with low-intensity explosives and no victims were reported. According to the FBI, anticommunist

militants may be responsible for the attack against the Marazul Charters travel agency. It is the 13th attack during the past 2 years against a Miami firm or organization that facilities family ties between Cubans.

Economic Cooperation Meeting With PDRY Opens

FL2703180089 Havana Tele-Rebelde Network in Spanish 1700 GMT 27 Mar 89

[Text] The 10th intergovernmental session for economic and scientific-technical cooperation between Cuba and the People's Democratic Republic of Yemen [PDRY] began today in our capital. The meeting will last 2 days.

The Cuban part is being headed by Fishing Industry Minister Jorge Fernandez Cuervo-Vinet, who referred to the cooperation we have given the Yemeni people for over 10 years, in fulfillment of our principles of solidarity. PDRY Public Health Minister (Sa'id Sarid Bar), who is heading his country's delegation, recalled that Cuban aid encompasses assistance in the branches of health, medical training, fishing, and agriculture. He expressed gratitude for this aid to his country, and reiterated his desire to continue developing it.

UN Members for Fight Against Drugs Arrive

FL2703232589 Havana Television Service in Spanish 0000 GMT 27 Mar 89

[Text] UN representatives for the fight against drugs have arrived in our country at the invitation of the Cuban Government. The two high-level officials, Tunisia's Abdelaziz Baji, secretary of the International Narcotics Control Board, and Spain's Francisco Ramos, chairman of the committee to fight drugs, will confirm how Cuba has eliminated the drug situation. They will also learn how the Cuban nation deals with and eliminates illegal drug trafficking which takes place around and over the island en route to the United States.

CEMA Time, Frequency Council Meeting Begins

FL2803134989 Havana Tele-Rebelde Network in Spanish 1100 GMT 28 Mar 89

[Text] The Fifth CEMA Time and Frequency Council meeting has begun in this capital with the participation of seven member countries. It will conclude on 30 March. During the meeting, specialists and researchers will discuss subjects related to the creation and development of a base of high precision patterns for these magnitudes as well as methods and means for the comparison and determination of the parameters of the earth's rotation.

In the past few years, our country has worked on creating the material and organizational basis for the meteorological accuracy [aseguramiento] in all the production branches of the services. The aid received from CEMA member countries, and in particular from the Soviet Union, has been decisive. The national services of time and frequency guarantee the uniform dissemination of the time to those countries who have it. It also contributes to better air, sea, and land traffic.

The national service of time and frequency of the Republic of Cuba was the first one to receive the quality certificate in 1982. Among other services, it also guarantees, through Radio Reloj radio station, precise time—with accuracy that will lag behind 1 second every 100,000 years. The prestige achieved by Cuba in this important economic sector permits cooperation with developing countries.

Raul Castro Meets Youth Labor Army Soldiers

FL2703215589 Havana Television Service in Spanish 0000 GMT 26 Mar 89

[Text] At a meeting with Youth Labor Army [EJT] soldiers, Army General Raul Castro has said that the top three priority targets of the Turquino Plan are electrification, roads, and housing.

Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the Revolutionary Armed Forces, presided over the first meeting of political workers, party and Union of Young Communists leaders in EJT coffee units in Pinar del Rio today. The meeting was held at La Caoba camp. Julian Rizo, alternate member of the PCC Politburo and secretary of the Central Committee, made the closing remarks.

The victory mortar, an award presented by the EJT national leadership, was conferred to Cienfuegos Division's 61-701 military unit because of its good work in the Turquino Plan.

Education Minister Closes National Competition

FL2703163389 Havana Tele-Rebelde Network in Spanish 1100 GMT 27 Mar 89

[Text] Havana City Province earned the most points in the National Knowledge and Skills Competition, according to the announcement made during the closing ceremony which was held at the Universal Hall of the FAR [Revolutionary Armed Forces] in our capital.

During the event, 158 gold, silver, and bronze medals were awarded, which represents 37 percent of the total number of participants. In addition to Havana City, recognition was given to Villa Clara and Santiago de Cuba Provinces. Also at the event, the Cuban team that will represent us in the Fourth Latin American Olympiad of Mathematics was announced. The Olympiad will be held in our country starting 8 April. The Cuban team is composed of Rolando Obanda, Arnaldo Perez, Rodmar Rodriguez, and Mauricio Romero. They are all from the Martyrs of [word indistinct] Seven Pre-university Vocational Institute.

At the closing ceremony, Education Minister Jose Ramon Fernandez said:

[Begin recording] Comrade students, it is your responsibility to obtain a solid foundation, train as good technicians and good revolutionaries. Only in our circumstances can one be a good technician when one is also a good revolutionary—with firm convictions, deep love for the fatherland, and constant willingness to defend it in whatever terrain necessary. That, comrade students and teachers, is our pledge to Fidel, the party, and the Revolution. [applause] [end recording]

Haiti

7 Organizations Select CEP Representatives

FL2803130889 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Mar 89

[Excerpts] Still only seven of the organizations that are supposed to form the CEP [Provisional Election Council] have named representatives. The names of these representatives have been officially announced, despite the fact that there is a certain amount of arguing going on over the way three of these representatives were chosen. Nevertheless, seven of the organizations that are supposed to form the new CEP have submitted the name of their representatives to the Justice Ministry. [passage omitted]

The Court of Cassation chose Gabriel Augustin; the journalists association chose Pauris Jean-Baptiste; the union federations chose Max Lelio Joseph; and the Protestant churches chose (Jacques Jovin). [passage omitted]

The executive and the Episcopal Conference of Haiti have not yet officially announced who their representative to the CEP will be.

Union Groups Disagree

FL2803130389 Port-au-Prince Radio Metropole in French 1700 GMT 27 Mar 89

[Excerpts] Seven of the nine members of the [Provisional] Election Council [CEP] have been chosen. [passage omitted]

There is disagreement among the different union federations over the union federation delegate.

Joseph Manusi Pierre of the CATH, Autonomous Organization of Haitian Workers, rises up against the FOS' [Federation of Workers Trade Unions] unilateral decision to choose Max Lelio Joseph to represent the union sector. CATH says it is willing to participate in choosing a union representative to the CEP, but only under certain conditions. Here is Joseph Manusi Pierre:

[Begin recording in Creole, in progress] ...CATH, we received a letter from the justice minister some days ago, in which he asked us to choose someone to send to the CEP as a representative of the working class. However, before we ourselves could do such a thing, we would have to call a general assembly in order to obtain the decision of the workers and peasants who constitute the CATH's base.

Now, the deadline the justice minister gave us is too soon. It would have to be extended.

However, we were astonished to hear over the radio a CATH/CLAT [Autonomous Organization of Haitian Workers affiliated with the Latin-American Central Organization of Workers] communique in which [words indistinct] FOS decided unilaterally to send a representative.

This is terrible. I don't think that the union federation consulted its base in order to do this. What is even more serious is that all the union federations should have met. They should have gotten together to choose a representative to send. We of the CATH were not consulted in order to do this. [passage omitted]

Well, in order to designate this CEP member, we would have to set some conditions—many conditions. We would not just pick someone like that and send him. Instead, we would set some conditions. We would ask the government a number of questions in connection with this matter, with this choice. And we will very soon issue a communique—not just issue a communique but send a letter to the justice minister stating our position (?on this matter). [end recording] [passage omitted]

Democratic Unity Confederation 3d Anniversary

FL2803132289 Port-au-Prince Radio Metropole in French 1700 GMT 27 Mar 89

[Excerpts] Last Saturday, 25 March, was the 3d anniversary of the KID, Confederation for Democratic Unity. [Metropole reporter] Rothschild interviewed a KID official, to obtain a balance sheet.

[Rothschild] KID is already 3 years old. The Confederation for Democratic Unity is henceforth to be known as the Committee for Democratic Unity [Komite Inite Demokratik].

On the occasion of its 3d anniversary, this people's organization with headquarters on the Rue du Champ de Mars held a number of cultural and political activities at its headquarters last Saturday.

Three years after it was formed, the KID's leaders reiterate their confidence in the struggle they are waging for the liberation of the Haitian people. (Aramick Louis), one of the KID's leaders, recalls the major positions taken by the KID on certain matters of national importance:

[Begin recording, in Creole] If we look, we will see that we can today say that the inspiration for all the political positions taken by KID was drawn from a number of experiences of the Haitian people, be they out of history or be they (?our interpretation) of the national reality. [passage omitted]

This same realism, this same interpretation of reality, is the reason we also told the Haitian people not to go out and get shot on Ruelle Vaillant [reference to the 29 November election massacre]. Unfortunately, we were not strong enough back then to get them to listen to us and not go shed their blood on Ruelle Vaillant—especially when all kinds of candidates and many institutions, even the church, rounded up the people by force, so to speak, in order to lead it to hollow elections in which there were never any democratic guarantees offered to the Haitian people. [end recording]

The KID begins its 4th year with, as its principal mission, the strengthening of the people's camp.

[Begin (Louis) recording, in Creole] We wish to, today, go off (?in another direction). We will still be linked to the Haitian people's demands. However, what we have seen of this kind of government, which has never been able to guarantee the people any rights whatsoever, makes us feel the need, today, to work to set up—together with all true patriots and all serious people's organizations—a serious alternative that can give the Haitian people the right to control the power of its government and to participate in all kinds of decisions being made regarding it. [Words indistinct] in this coming 4th year, to work to establish what we call a people's government—the only tool that can guarantee the Haitian people a true democracy. [end recording]

KID leaders feel they have accomplished a considerable amount of work toward the liberation of the Haitian people during KID's 3 years of existence. KID declares it is open to dialogue with all sectors that truly want to change Haitian society.

COH Holds Talks With Martiniquais Delegation

FL2803135589 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Mar 89

[Text] The Haitian Workers Committee [COH] announces that a delegation of people's political and union authorities from Martinique is visiting the COH in Haiti from 20-28 March. In the delegation is Alfred Marie-Jeanne, first secretary of the Martiniquais pro-independence movement, who was reappointed magistrate of Martinique on 12 March, and (Marc Pulva), secretary general of the Martiniquais workers union federation [santral sendikal travaye Martiniquais], who is also the MIM's [expansion unknown] national secretary for foreign relations.

The goal of the visit is to develop cooperation relations with the COH and to make contact with other democratic and people's union organizations struggling against the exploitation of the Haitian people.

The Martiniquais delegation met with several organizations, such as the Autonomous Organization of Haitian Workers, CATH; Students Affairs; Confederation for Democratic Unity; Peasants-Workers Committee [Komite Ouvriye Peyizan]; Baptiste Youth Movement [Mouvman Jen Batist]; and the agricultural workers union of Savanette.

According to the COH press release, during the different work sessions that have been held, a number of points have been examined together, such as the Martiniquais struggle for independence within the context of the Caribbean; the struggle to increasingly emancipate the working class—the peasant class; the struggle of the workers and peasants class in Haiti; the problems arising in the Caribbean in connection with the matter of a single European market; Haiti's candidacy to the Lome Accords; the commemoration of the 200th anniversary of the French revolution of 1789; and the need to set up a confederation of revolutionary workers organizations (?of) the continent (?and) the Caribbean.

The COH goes on to say, in its press release, that on this exceptional occasion, they congratulate (?themselves) for this visit by these Martiniquais brothers to Haiti. These men also made a (?heartfelt) call for more solidarity between Haitians and Martiniquais. This is within the framework of the press conference they held at the beginning of the week.

Night Shootings in Delmas Area Plague Residents

FL2803133889 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Mar 89

[Excerpt] Residents of the area around Delmas 19 report that they are encountering many, many, many difficulties. They cannot sleep at night because of the incessant bursts of gunfire coming from deep in the Delmas area, at the very back. They say that on 17 September, there was a failed uprooting there—an uprooting that did not take place—and now this problem is back. Someone has begun shooting off heavy-caliber weapons again, and people really do not know what is going on today.

They mention Rue Pierre Sully, where there is still shooting going on. [passage omitted]

Finance Secretary Rejects Use of 'Swaps'
PA2803015689 Mexico City UNOMASUNO in Spanish 22 Mar 89 pp 1, 16

[Text] Amsterdam, 21 Mar—Before the international financial community, the Mexican Government today rejected the use of swaps [previous word in English] as "the solution" to the country's foreign debt problem, because this practice further hurts Mexico's economy and promotes subsidies for direct foreign investment and international banks while the the country is suffering a shortage of resources and its people lack the most essential goods.

Finance Secretary Pedro Aspe Armella today explained why swaps cannot be indiscriminately applied to the Mexican economy at the annual assembly of Inter-American Development Bank [IDB] governors here. He noted that his country is facing two challenges: simultaneously lowering its debt and debt service; and securing the new financing needed for growth.

However, swaps can be used in two cases viable for Mexico: first, when offered to the public with a discount to buy assets that the Mexican Government wants to sell—only in this way can negative macroeconomic effects be avoided.

Second, Aspe Armella explained swaps are also viable when offered to a particular sector as long as there is assurance that the swaps are not being offered to an operation that could have been implemented without fiscal incentives and with a scope and size so limited as to avoid macroeconomic problems.

With these two exceptions, the Mexican Government gives swaps a just and limited dimension and would only use them in certain operations that avoid macroeconomic problems for the nation.

As for the IDB, Aspe Armella pointed out that Latin America needs to strengthen its multilateral financial instrument, the IDB, to promote development within its own criteria. Latin America recalls the main purpose of our bank is to promote the net transfer of resources from industrialized countries to developing ones in the region and not the other way around, as has been the case in the past few years.

A renewal of the bank is imperative and calls for the support and commitment of all member countries. The accord we have reached in principle regarding the seventh replenishment of resources establishes the basic conditions to vigorously resume the task of promoting development in the region.

Among those tasks, Aspe Armella proposed the participation with international financial organizations in the implementation of changes to guarantee additional resources for development, and in carrying out operations to reduce the debt.

He also proposed incentives for private sector activities and the strengthening and promotion of the export sector. Regarding this, he said it is important to count on the IDB's firm involvement, because this effort calls for more flexible IDB policies and an increase in financing to the export sector while making good use of the existing IDB infrastructure.

There is also a need to establish an information system on the intra-Latin American debt, in keeping with a request to this effect by the Group of Eight heads of state in Punta del Este, Uruguay. He also commented on the establishment of the Economic and Financial Cooperation Program for Central America, which is already underway and involves various financial, commercial, and technical assistance activities.

At the end of his speech, the finance secretary, on behalf of the Mexican Government, offered to host the 1994 annual assembly.

Finance and Public Credit Secretary Aspe said his secretariat's first problem regarding the swaps stems from having to obtain the pesos necessary to pay for them. If the money is obtained from the Bank of Mexico, the result will be an additional inflationary pressure and/or the loss of international reserves.

If the pesos are obtained on the market through the contracting of an internal public debt, the results will be:

A. Pressure to increase the internal interest rates and the deferment of other investments that would have been made if the interest rates had not risen.

B. Increase in the operational deficit, because the swaps' fiscal cost is very important because it actually means the foreign debt, at international rates, will be exchanged for an internal debt, the cost of which is regularly higher.

"From the pressure on the budget comes the first question on economic policy: Considering the shortage of resources and the people's most fundamental needs, should budget resources be used in lieu of direct foreign investment and international banks? Let us remember that the industrialized nations are the ones recommending a reduction in fiscal subsidies."

Afterward, the official mentioned that the negative impact of the Treasury and Public Credit Secretariat's purchase of pesos makes it necessary to limit this kind of operation. Other countries have reached the same conclusion: The use of swaps must be limited because of macroeconomic reasons.

These inevitable restraints on swap operations have caused a serious problem that was unforeseen when this mechanism to lower the foreign debt was designed and introduced.

Aspe later explained the swaps are still an effective way to inhibit and reduce total investments because the number of projects postponed is much larger than the number of projects promoted.

Mexico is also rejecting the swaps because they cannot be reserved solely for foreign investors, which would imply discrimination against Mexican investors. In addition, the swaps can stimulate the flight of capital.

Swap operations also lead to major macroeconomic problems. If a company is established or expanded because of swaps, the cost of its capital will be much lower than other companies in the same field, thus giving rise to unfair competition.

In addition, Aspe continued, in industries where a company has benefited from this sort of operation, it will be difficult for other companies to get established without the same kind of subsidy.

The official noted that the Bretton Woods organizations are aware of the macroeconomic problems that stem from the swaps. Therefore, he noted, none of them is proposing swaps as the solution to the foreign debt problem. As a matter of fact, their recommendations on how to control the proliferation of monetary instruments and the internal debt growth, implicitly limit and condition swaps as a solution.

CONCAMIN Refutes Official GNP Figures

PA2803005589 Mexico City UNOMASUNO in Spanish 21 Mar 89 pp 1, 16

[Report by Alicia Ortiz Rivera]

[Text] In contrast with the official figures by Mexico's Programming and Budget Secretariat which stated the GNP grew 1.1 percent in 1988, the Confederation of Industrial Chambers (CONCAMIN) said production barely rose 0.4 percent last year, mostly as a result of the great vitality of the service sector, which grew 0.8 percent while the industrial sector remained practically stagnant, registering the same level it reached in 1987. Moreover, the primary [primario] sector experienced a downturn; its GNP dropped 0.9 percent although in the 1985-1986 period it grew 1.3 percent.

According to CONCAMIN's analysis, it has been impossible to reverse the recessive trend that has practically dominated the Mexican economy since 1982, because investments remain contracted. Last year alone, public sector investments decreased 6.9 percent. Although the private sector grew 1.2 percent, it was not enough to cover the resources the country's economic recovery requires.

CONCAMIN noted that in 1989, private investments are expected to increase 7.2 percent while public investments are expected to decrease 7.2 percent, as part of the government's strategy to expand the participation of business in production activities.

The report also noted that one of the chief obstacles hampering an even economic reactivation is the growing foreign debt, because it directly influenced the contraction of domestic investments when the foreign debt went from $92.932 billion in 1983 to $105.055 billion in 1987—according to figures by the Finance and Public Credit Secretariat. "This factor is why this structural problem is limiting the possibilities for the Mexican economy's growth," the report noted.

The business group added that in Mexico's current situation, "payment of the foreign debt has been holding back economic development because of the reduction in the flow of financial and investment resources" the state and private businesses count on to make production and technology expenditures.

Within this context, the decrease in overall investments in 4 years—since 1983, there were increases only in 1984 and 1985, 6.4 percent and 8.1 percent, respectively—"reflected a recessive phase that influenced all the GNP's growth variables, especially employment and, in general terms, the diverse economic sectors," CONCAMIN said. During this period, the private sector constituted the sole mechanism for reactivation because of the capital it supplied," the group stated.

The group also pointed out that, in practice, the "industrial sector provides sufficient vacancies for productive employment to a growing, active population and is able to generate the foreign exchange needed to stimulate the economy's growth and development."

However, the report stressed the industrial sector's dynamic role does not hinge on its growth rate but on the other sectors' growth rates, since to achieve a harmonious pace among the sectors, the industrial development policies taken during this time must be considered. The most important of these policies are: the establishment of instruments to protect foreign trade such as tariffs, controls, and import permits; preferential loans in the banking sector to small- and medium-sized companies for purchasing industrial machinery for exports, among other things; different fiscal promotion mechanisms [mecanismos de promocion fiscal]; and maintaining favorable prices for goods produced by the public sector.

However, the national economy's status kept those mechanisms from producing noticeable progress. In fact, CONCAMIN noted, the industrial sector has maintained a negative trend throughout most of this decade. Last year, it barely managed minimum growth, but the construction industry, considered the measuring yard for economic activity in general, decreased.

The CONCAMIN study, published in the group's mouthpiece INDUSTRIA, also noted that since 1983, only the electricity industry has had favorable results. Other than that, industrial production behaved erratically, which meant only a 0.6-percent GNP growth in a 6-year period. This very low level is below the fast pace of population growth.

Guatemala

More on Hostage Situation at Pavon Prison Farm

Negotiators 'Taken Hostage'

PA2703133089 Guatemala City Cadena de Emisoras Unidas in Spanish 1219 GMT 27 Mar 89

[Report by Conrado Monroy and Silvino Velasquez from the Pavon prison farm—live]

[Text] [Velasquez] The situation at the Pavon prison farm has not changed. Negotiations will apparently continue during the next few hours. The rebelling inmates are still holding the eastern part of the prison.

Five fire trucks have just left for the city. Firemen are nervous because the fire commander and a fireman who were trying to negotiate a solution between the inmates and the authorities were taken hostage at 0200.

At 0500, the cries of children were heard coming from the prison.

[Monroy] Sleepy, sad, nervous faces can be seen at the Pavon prison farm. The approximately 600 people taken hostage by the inmates who rioted yesterday are very nervous and confused and have been unable to eat. Only the children were given milk early today, sent by the General Prison Directorate. The talks have been suspended. A solution is expected today.

[Velasquez] We are seeing movement by the police. Those policemen posted outside the prison are being relieved. No shots have been heard in the prison since 0530. Inmates seem to be calm after the intense shooting, which lasted for 7 hours.

Shooting Resumes; Casualties

PA2703162989 Panama City ACAN in Spanish 1555 GMT 27 Mar 89

[Text] Guatemala, 27 Mar (ACAN-EFE)—Two new shoot-outs have been reported in the past few minutes at the Pavon prison farm, where inmates mutinied Sunday after raiding the armory. The rioting has resulted in—according to preliminary reports—at least 8 deaths and approximately 16 injuries.

Meanwhile, human rights attorney Gonzalo Menendez has arrived at the penitentiary, approximately 35 km southeast of Guatemala City, to talk with the mutinous inmates.

The 1,350 inmates at Pavon began rioting Sunday after they raided the armory and seized the weapons they are using to hold 800 visitors—including 100 children—hostage.

Whether or not the last two shoot-outs have resulted in casualties has not been disclosed.

Prisoners Demand Plane to Cuba

PA2703184989 Guatemala City Cadena de Emisoras Unidas in Spanish 1738 GMT 27 Mar 89

[Text] The rioting prisoners at the Pavon penitentiary have presented a list of demands to the authorities and have chosen reporter Ricardo Gatica Trejo as their spokesman. Among their demands are a general amnesty, a pardon, the dismissal of the Pavon penitentiary officials, better prison conditions, and that they not be subject to reprisals.

This morning, however, the prisoners added another demand: They want the government to provide, as soon as possible, a large airplane to transport them to Cuba. There are between 250 and 300 mutinous inmates.

If it is confirmed that the inmates have set this new condition in exchange for the release of the more than 600 hostages, the situation could become more complicated for the government and negotiations could very well be extended for a much longer time.

The bodies of a guard and an inmate have not been removed from Pavon penitentiary because the other inmates refuse to allow authorities to enter the prison. A local judge said he would go to the prison at 0800 to prepare the death certificates for two guards and an inmate who are in an area of the penitentiary called "el triangulo." Nevertheless, the bodies are still there.

Meanwhile, the government minister has instructed state security organizations to continue negotiating with the rioting inmates to avoid bloodshed as much as possible. Government Minister Roberto Valle Baldizan told the state security forces guarding the penitentiary that the government intends to respect the prisoners' human rights as much as possible, and has thus instructed them to talk to them before taking up arms.

19 Hostages Released

PA2803022789 Guatemala City Cadena de Emisoras Unidas in Spanish 0200 GMT 28 Mar 89

[Report by Roberto Fuentes]

[Text] A short time ago, 15 adults and 4 minors at the Pavon prison farm were released. These people were taken away in two Red Cross vehicles to the prison's hospital center in Zone No 1, where they will be checked by doctors. It will be decided later if they will be allowed to go home or if they will stay at the Red Cross center tonight.

We can report that authorities from the Human Rights Attorney General's Office have showed up at Pavon prison. They are presently conducting negotiations with the prisoners in an attempt to get the other persons released.

Government Issues Communique

PA2803141989 Guatemala City Cadena de Emisoras Unidas in Spanish 1309 GMT 28 Mar 89

["Press communique" issued by the Guatemalan Goverment; date and place not given]

[Text] The Guatemalan Government reports that on Sunday, 26 March, as relatives were visiting the Pavon Rehabilitation Farm, a prison revolt erupted. The revolt was started by 28 prisoners—all considered very dangerous—organized into seven groups.

The mutinious prisoners worked out a detailed plan and attacked various important offices such as the armory, where they seized about 90 carbines and much ammunition, which they immediately used to attack the security guards. At the time, there were 107 men, 366 women, and 154 children—a total of 627 people—visiting the detainees. They have been held hostage since the uprising began.

The prisoners' escape attempt was thwarted by the security guards, who were able to carry out their assigned mission. The guards were able to repel the surpise attack; however, correctional officers Buenaventura Martinez, 47, and Geronimo Alvarado, 21, were killed in the clash.

The government states that according to its investigation the leaders of the riot were Julio Enrique Reyes Granados, Marco Antonio Santizo Linares, and Victor Manuel Veliz Duarte, who are doing time for kidnapping children, extortion, murder, robbery, assault and battery, and other criminal activities. Veliz Duarte was killed in the clash by gunshots to his jaw and stomach. He had been sentenced to 30 years in prison for double murder.

Following the unsuccessful uprising in the Pavon Rehabilitation Farm, a commission of prisoners has presented a humanitarian petition to the Guatemalan Government, which is being considered. Other legal petitions will be dealt with by the appropriate organizations.

Nicaragua

Ortega Cited on U.S. Decision, Elections

PA2703225489 Managua Radio Sandino in Spanish 1942 GMT 27 Mar 89

[Question-and-answer session between President Daniel Ortega and a group of Harvard University students; place not given—live]

[Text] [Ortega] I want to hear your questions, so we may have a little chat.

[Student, in English with simultaneous Spanish translation] Thank you, Mr President...

[Announcer, interrupting] [Words indistinct].

[Student] [Words indistinct] sometimes enemies are within the system. Sometimes they are found in the system itself—such as abuse of authority and so forth. What steps were taken immediately after the revolution to combat corruption? Does this problem still exist in Nicaragua? If the problem exists, what measures are you taking to combat the problem? Thank you.

[Announcer] President Ortega is going to answer:

[Ortega] [Words indistinct] later, we will answer all those questions.

[Announcer] The commander wants to know if any of the Harvard University students...

[Student, interrupting] What are your views on the new developments that have taken place in the U.S. Government and Congress, and how do they affect your new stance and your economic and political strategies? Also, how can you change the stances of the U.S. Government and Congress on Nicaragua?

[Announcer] President Daniel Ortega is replying. We are broadcasting this event because we feel it...

[Student, interrupting] Mr President, I am from the Republic of Uganda. As you know, my country has many things in common with Nicaragua, including the fact that our two countries will hold elections next year. Mr President, what will happen if the Sandinist National Liberation Front [FSLN] loses the elections and another group comes to power? I think this may totally change the revolution and may mean a setback. What have you decided regarding the elections?

[Announcer] These questions posed are quick and to the point, which is why we are continuing with the broadcast. Here is a question by another student; they all come from different countries. Here is an Irish student:

[Student] Mr President, there has been talk of a political and economic relaxation in Nicaragua. The Esquipulas plan seems to be working in that direction. We would like to hear some information regarding the policies your government will adopt chiefly on the matter of political relaxation. How far will that relaxation go? What results do you expect? Thank you.

[Announcer] This has been the fourth question. Here is another question for President Ortega. From a journalist's point of view, the four questions posed to Daniel Ortega are very important. Let us see if there is another question, and then the president will answer. There does not seem there will be another question; therefore, the president will begin to reply:

[Ortega] You have not had lunch yet. I think...

[Announcer, interrupting] The president will now answer those very interesting questions regarding the future policies in Central America and even in the United States:

[Ortega] The first question deals with abuse of power. In every society throughout the world, and in any organization, even a religious one, the risk of corruption exists. We face that risk because we are still living in a world where this factor has not been eradicated. It exists in each and every one of us. If we are not watchful of that risk, if we are not aware of that danger, it gains strength. Corruption can even become institutionalized. There are places, organizations, and countries where corruption has become institutionalized. The principle of a revolution is to combat that plight, which does not disappear with the triumph of the revolution. The triumph of the revolution does not end that risk, but it does provide better possibilities to combat it and counter it. The first thing we had to accept as revolutionaries is that the danger is latent; the risk of corruption is latent. It is present at every level. When we talk of corruption, we are not only thinking in terms of the higher echelons. Instead, we are thinking of the lower echelons—the workers performing the most simple tasks to the workers performing the most complex tasks.

The revolutionary state has made a great effort to fight corruption. We have acted [words indistinct] their names and when evidence of corruption has been found. We have judicial problems. When cases of corruption discovered by the police are turned over to the judicial branch, those implicated end up on the streets again because our country lacks the conditions that permit a speedy trial and the enforcement of the law.

We must discuss the risk involved in (?the effort to stop) corruption in our society. We must mention the abuse of power and all that. We must mention those who are protected by the Constitution or the state—in other words, those who hold a post in a state that has certain laws and a Constitution and who violate those laws while serving the people and working for the government or in the state enterprises. There are those in the private sector who violate these laws, too. I mean those in the private sector who do not abide by the law, exploit the workers, and make profits but do not reinvest them in their businesses. We have also had this problem. We do not only have the problem of officials who abuse their position or commit crimes. We also have the problem of private producers and capitalists who have an economic responsibility—we have a mixed economy system—but do not reinvest in their businesses.

We are speaking here about an economic agreement. When we say an economic agreement, we mean seeking a more reasonable or more rational understanding among producers, businessmen, workers, and the state. When we talk with workers, they complain about certain businessmen and capitalists. They feel that the capitalists are stealing their work, because these capitalists are making profits but are not reinvesting in their businesses or farms. These capitalists are converting the farm's products into cordobas, the cordobas are converted into dollars, and the dollars are sent to U.S. banks or are invested in the United States or other countries. This makes workers more insecure, so the revolution decided that an agreement had to be reached with producers.

The important thing about this issue is that people are clear about the dangers and the risks. How to fight this? The only way we can fight this is by changing the people's consciences. It is true that coercive mechanisms are important, but they are not the most important thing. The essential thing is to change the people's consciences. Coercive mechanisms should be secondary; they should not be the main element. The main struggle is being waged in the consciences of workers, who also commit offenses, and in the consciences of those with greater responsibilities.

We must point out that many government officials earn low salaries. Some government experts make more money, of course. [Words indistinct] in the revolutionary government is linked to the conscience of man. We have ministers working for us who could be earning more here in Nicaragua or in other countries, even in the United States. However, they decided to stay and work with the revolution even at low salaries. This shows there are Nicaraguans with a great awareness, and this responds to the Nicaraguan people's demands and sacrifices.

The political and economic opening is expanding as we overcome the war. When there is a war, political and economic problems become polarized. Political and economic problems worsen. Despite the fact that Nicaragua has faced a war for 8 years, we have been able to maintain and even to strengthen the mixed economy system. The information you may have received this morning regarding land ownership, for example, shows that the government owned more land before the 1979 revolution. The revolution took over a large number of firms that used to belong to Somoza and the Somozist government. The amount of land owned by the government has decreased, however, and farm land has been turned over to peasants, who now own the land either individually or through cooperatives. Land owned by the government has been reduced from 20 percent of all land to 14 percent.

There is a greater participation by small, medium, and even large producers in farming and in cattle raising. This has been achieved because the revolutionary government has implemented policies to strengthen the mixed economy system and to finance private producers, who have received huge loans from the bank. They have received subsidies or loans from the bank in the form of subsidies for almost 10 years. Only this year have producers begun to repay what they borrowed from the bank.

Throughout all these years, the bank practically gave money to Nicaraguan producers. The policy of the bank in Nicaragua is not to take the producers' land when they cannot pay what is owed.

When producers cannot pay the bank, the bank tells the producer it will stop lending him money. The bank says: If you do not pay me, I cannot lend you more money. That is the position the bank is advocating now. Our banks handle funds that belong to the people and the entire nation, and the banks are responsible for those resources. As the war draws to a close, better conditions to strengthen the regime of mixed economy begin to appear.

From the political point of view, the country's political parties and the opposition media are there. They are there because the revolutionary government has not been willing to eliminate a multiparty system. At the most difficult times of our confrontation with the United States—when the United States mined the Nicaraguan ports, when the United States declared its economic embargo against Nicaragua, when the United States approved military aid for the counterrevolutionary movement, when the United States threatened a military invasion of Nicaragua—the government never forced the disappearance of the Nicaraguan political parties. The political parties were always active. There are approximately 19 political parties in our country. Those 19 political parties range from extreme right parties to extreme left parties. In other words, the entire political spectrum has had its place within the Nicaraguan revolution.

The same can be said about the media. The media have been [word indistinct]. They have been punished sometimes during the war, but now as the war draws to a close, the media is operating normally. There are media that—although they function as mouthpieces for the U.S. aggressive policy against Nicaragua—are able to express their positions inside Nicaragua, and they do so every day. We are talking about both the written and broadcast media.

What would happen if the FSLN loses the February 1990 elections? First, I must tell you that will not happen. I am convinced that will not happen, because the Nicaraguan people would have to be insane, they would have to be mentally disturbed to vote against the FSLN.

For example, peasants would have to say: The time has come to return our land to the landowners, the Somozists, and the capitalists. No peasant will think of doing that. Peasants are aware of the reach of the revolution, and they defended that revolution with their lives. They ran risks; they have seen their women die while fighting against the counterrevolutionaries. [Words indistinct] to die right there murdered by the counterrevolutionaries. Those peasants, those workers, [word indistinct] will not vote for an opposition party. I am convinced of that.

Yours is such a hypothetical question that it would be difficult for us to begin imagining the Nicaraguan people voting against the revolution.

We do not see how the people could vote against the revolution, because the people now have an opportunity to organize themselves and to be heard; they have a right to own land and to good health; in other words, the people enjoy all of their rights [word indistinct] that they had not managed to gain. All of their problems have not been solved, but they have gained many rights. The people will not vote against the Sandinist revolution. The people will always vote for the revolution. Elections are part of the overall democratic process that we are following in Nicaragua. We regard democracy as an overall process. We do think there can be democracy by merely scheduling elections, because there could be a case where elections are held while people are getting killed. Elections could even approve a system of oppression against the people; they could continue a system of stealing land from the peasants, of protecting capitalism, of protecting the large landowners, and of oppressing peasants. All of this could happen while elections are being held. That (?is not) democracy. Then there is the case when the people are kept illiterate. Not giving the people a right to education is not giving them the right to organize themselves. That is not democracy.

We have regarded democracy as something overall, and this is what we have had all of these years. The people have accepted this revolution as their own. The people have the votes and the weapons in their hands. In other words, they have the weapons of their conscience, which is the most powerful weapon, and they also have rifles. The day the people no longer want this revolution, there will no longer be this revolution. The people are the ones who command; the people are the ones who decide.

In this country, the government and the FSLN cannot impose anything on the people. They merely guide the people, organize the people, and lead the people. The other parties give speeches, [words indistinct]. The people can tell the difference. The people are wise and therefore know which proposal or plan is best. The people learned as early as 1821, when Nicaragua became independent from Spain, what capitalism is like. The people know. The capitalists ruled Nicaragua from 1821 to 1979. The conservative capitalists and the liberal capitalists were supported by the various U.S. Governments—Democratic and Republican. They all supported the Nicaraguan capitalists. The last time this happened was during the Somozist dictatorship. The people know capitalism very well. The people know the businessmen's policies. The people know the businessmen's abilities. The Nicaraguan workers know very well the abilities of the capitalist businessmen to exploit them, to keep them ignorant, to steal their land, to deny them the right to become organized, and to oppress them. That is what the workers have learned from the capitalism and from the oppressive regimes we endured here from 1821 to 1979. The Americans supported all of this. The Americans sent troops to Nicaragua to defend that type of democracy.

The people have already known that reality. That reality left them ignorant and illiterate, left them without any land, and left them hungry throughout their lives. But this is not the case with the revolution. As our friend

from India was saying, this is a dream, and this is the people's dream. The people are making plans, despite the difficulties, to gradually make that dream come true.

That is why we do not think there is any chance that the Nicaraguan people will vote for an opposition party in the February 1990 elections.

We will refer to a very important point. All the points we have analyzed are important, but this is important given the current situation and the short- and medium-term repercussions of this development. I am talking about the political agreement reached in the United States on 24 March between President George Bush, House Speaker Jim Wright, Senator George Mitchell, Congressman Thomas Foley, Senator Robert Dole, and Congressman Robert H. Michel—between the head of the Executive Branch and Democratic and Republican congressional leaders.

We have here the text of that agreement. The agreement reasserts the policy of the strong belief that they can ignore the wishes of others. The bipartisan agreement between the Executive Branch and Congress in a country like the United States, which has many domestic problems, such as poverty.... [changes thought] There is poverty in New York, and it is quite a contrast that the country of opulence is also the country of poverty. Therefore, there is no democracy in the United States.

Very few people vote in the United States. A minority of the U.S. people elect the U.S. President. There is still racial and economic discrimination in the United States. This is the country that wants to establish and dictate the democratization of Nicaragua and other Central American countries. The United States talks about human rights, but it has shown a lack of respect for human rights. The United States has not respected human rights, but it talks about its concern over human rights in Central America.

This document, which shows the arrogance of the most powerful, says in its closing clauses:

The United States does not need to explain in advance the nature or the type of action it would carry out in response to threats against U.S. national security interests. In fact, it should be sufficient to simply state that such threats will be confronted with every appropriate constitutional means.

We know that kind of speech already. Nicaraguans have known that speech since the last century when, using U.S. security interests as an excuse, the United States invaded Nicaragua. Many Latin American countries that have also been invaded by the United States know that speech too. Many countries throughout the world that have been invaded by the United States know that speech as well.

The United States does not need to explain in advance the nature or type of action it will take—the United States can even use nuclear weapons, because it has nuclear weapons, after all.

The political document issued by the U.S. Executive Branch and Congress does not mention respect for the international legal order.

More on Reaction to U.S. Contra Aid Decision

Espinoza Comments

PA2703190889 Managua Radio Noticias in Spanish 1130 GMT 27 Mar 89

[Statement by Press Director Manuel Espinoza; date and place not given—recorded]

[Text] The agreement signed by the Central American presidents clearly and categorically states that the contras must be disbanded in accordance with a plan that the presidents will implement no later than 14 May. Likewise, the Central American presidents have rejected on the grounds of illegality—and because it goes against the interests of regional peace—all types of aid for the contra mercenaries. The only acceptable aid would be that given for their demobilization, voluntary repatriation, or relocation.

We would like to be able to say that the bipartisan declaration on new aid for the contras is also clear and categorical. However, this is not the case. The declaration is a typical example of the ambiguities and contradictions that are unavoidable when documents are drafted by a committee.

We know that this type of bipartisan agreement was precisely what the U.S. Government thought necessary to save face while it proceeded to dismantle its failed policy against Nicaragua's sovereignty and integrity. The Nicaraguan Government does not care if the U.S. Government wants to declare itself the winner. Quite the contrary, we invite them to do so as long as they change their policy toward Nicaragua, adjusting it to the guidelines of civilized coexistence as established in international law; desist in their threats and use of force against Nicaragua; respect our people's right to self-determination and independence; and begin the process of normalizing bilateral relations between the United States and Nicaragua.

We have said many times before and we repeat today: Correcting a mistake, far from being a sign of weakness, is a sign of strength, of spiritual strength and confidence. If, as a result of a real correction of U.S. policy toward Nicaragua, peace is achieved, then we will all be winners, and we will all be able to consider ourselves winners—even the United States. Nicaragua is willing to give the U.S. Government the benefit of the doubt. On the other hand, they will very soon get the opportunity to prove themselves worthy of Nicaragua's attitude through the firm and quick support of the creation and deployment of the permanent

[word indistinct] units, under the auspices of the UN secretary general, to verify compliance with the security agreements that are part of the framework of the Central American peace accords and that also support the immediate sending of UN and OAS representatives to observe the Nicaraguan election process.

Any attempt to block or delay these decisions would show we were mistaken in giving the United States the benefit of the doubt, trusting that the U.S. Government would respect the ruling by the International Court of Justice, the U.S. international legal obligations, and the will of the Central American people and presidents. While Democrats and Republicans seek bipartisan agreement over an acceptable form of humanitarian aid to the contras, former Somozist guard Enrique Bermudez publicly admits that up to 3,000 contras are active inside Nicaragua, despite the contras having agreed to respect the cease-fire. The truth is that the mercenaries continue terrorizing, murdering children, women, and elders, and causing destruction in our countryside.

PSC Leader: 'Two-Way Street'

PA2703162089 Managua Radio Sandino in Spanish 1200 GMT 27 Mar 89

[Text] Social Christian Party [PSC] leader Dr Julio Ramon Garcia has refrained from criticizing the Bush administration for approving $45 million in aid for the contras in Honduras. Garcia said Washington wants to keep pressuring the Nicaraguan Government by using the contras in Honduras. According to Garcia, aid for the contras may allow the revolutionary government to say it cannot comply with the El Salvador accords.

[Begin Garcia recording] This is the first I have heard about aid for the contras being approved. I do not think we should be surprised or make a fuss about this because President Bush said during his campaign that he was not going to abandon the Nicaraguan Resistance [RN]. Once in the White House, he continued insisting upon—and from what you say he has apparently achieved—what he wanted: continuing humanitarian aid to ensure that the RN does not completely disappear. This is a two-way street. We believe the U.S. Government wants to continue to use the RN to pressure the Nicaraguan Government to democratize. And the Nicaraguan Government, as a result of the approval of humanitarian aid, can continue to argue that it cannot comply with the Esquipulas II accords because the U.S. Government has continued the humanitarian aid. Therefore, I believe this is a two-way street.

As far as how this affects the dismantling of the contras, I believe the plan to dismantle the counterrevolution has not yet been completed. I believe the presidents' timing might have been off, allowing the Bush government to win this round. Anyway, let us see how much this affects the peace plan and to what extent the Nicaraguan Government will use the approval of humanitarian aid as an excuse to avoid complying with the agreements. [end recording]

Cardinal Obando y Bravo Cited

PA2803042089 Managua Radio Noticias in Spanish 1130 GMT 27 Mar 89

[Interview with Cardinal Miguel Obando y Bravo by unidentified local and foreign correspondents; date and place not given—recorded; broadcast in progress]

[Excerpt] [Reporter] ...that the U.S. Congress approved $45 million for the contras. How will this affect the Central American president's agreement to demobilize the contras?

[Obando y Bravo] The presidents are the ones who must determine how this will affect their plans. They are the ones who signed the agreement. I have always said that if this aid is for humanitarian purposes, then the war will end and not a single shot will be fired. If a shot is fired, the humanitarian aid will be stopped.

[Reporter] [Words indistinct] National Reconciliation Commission to ensure that the agreement is being respected?

[Obando y Bravo] That will not be the responsibility of the National Reconciliation Commission. Two members of the National Assembly's Human Rights subcommittee, two members of the National Reconciliation Commission, and a bishop we will appoint will be responsible for the verification. Mauricio Diaz is in charge of coordinating the work. A few days ago he told me that he had talked with the Honduran vice president, who is also the president of the Honduran National Reconciliation Commission. Diaz said there would be no problems at the meeting. I do not know [words indistinct]. I think that they will be meeting on 28 March.

[Reporter] Your Eminence, what will happen to the priests who were expelled? When will they return? Did the government give back all the goods that belong to the Church, especially the printing press?

[Obando y Bravo] The government promised to allow 10 priests to return. There are still four others, [words indistinct] including Father [name indistinct], who helped us in [word indistinct] the school of San Marcos in [words indistinct]. In addition, there is Father [name indistinct] who is an artist, a painter. [Words indistinct] of Masaya and [names indistinct] and Landaverde of Juigalpa.

As for the goods belonging to the Church, we have received promises, but nothing has been returned yet. The printing press [passage indistinct].

[Reporter] Cardinal, are you optimistic about the contras releasing the Nicaraguans they hold in Honduras?

[Obando y Bravo] During my meetings with the Nicaraguan Resistance, I have always insisted [words indistinct] for the people they have in their power. [Passage indistinct] the last time I saw her [words indistinct] she told me she had not received any news [words indistinct]. I feel negotiations could solve the problem. [passage omitted]

Delegation To Seek Release of Civilians

PA2703153289 Panama City ACAN in Spanish 1657 GMT 26 Mar 89

[Text] Managua, 26 Mar (ACAN-EFE)—A Nicaraguan delgation will leave for Honduras on Tuesday to negotiate the release of approximately 1,000 civilians who were kidnapped by the "contras" more than 5 years ago, a parliamentary source has announced.

The special delegation is composed of members of the National Reconciliation Commission, headed by Nicaraguan Cardinal Miguel Obando y Bravo, and opposition deputies.

The Sandinist government has stated that the "contras" are holding more than 1,000 Nicaraguan civilians in Honduran camps.

The delegation also includes Social Christian leaders Erick Ramirez, Mauricio Diaz, and Msgr Abelardo Mata, director of the Human Rights Commission of the Nicaraguan Episcopal Conference.

In addition to visiting the anti-Sandinist camps, the delegation plans to meet with Honduran President Jose Azcona Hoyo and Honduran church officials.

Colonel Efrain Gonzalez, Honduran ambassador to Nicaragua, told ACAN-EFE that his government does not mind the delegation's visit to Honduras to find out what happened to the kidnapped persons.

The Nicaraguan Resistance denies that it is holding more than 1,000 civilians, as the Sandinists allege, but admits it is holding Nicaraguan soldiers.

Panama

Arias Calderon Discusses 'New Role' for FDP

PA2703143589 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Mar 89 p 1

[Text] Panama City (DPA)—Ricardo Arias Calderon, Civic Democratic Opposition Alliance [ADOC] vice presidential candidate and leader of the Christian Democratic Party, said yesterday that if the opposition wins the 7 May elections it will not try Panamanian soldiers.

Likewise, Arias Calderon said the Panamanian political crisis can be solved only through truly honest elections and with an honest concerted effort between civilians and the military to agree upon a new role for the Panama Defense Forces [FDP].

"There is no political or historic reason to dismantle the FDP and that is not ADOC's goal. Likewise, there is no possibility of democratizing the country and drafting this new role for the FDP if this is to be based on trying soldiers," Arias Calderon added.

The Panamanian soldier must be treated the way the Uruguayan soldier has been treated; not the way the Argentine soldier has been treated, Arias Calderon stated. He added that this is not the most popular proposal. However, he clarified, a concerted effort is needed to achieve a smooth transition from a force that controls the country's political life to one that is part of civilian authority.

Otherwise, Arias Calderon said, frustrations will accumulate and this would only lead to widespread violence. He added that we are willing to integrate the FDP into the state, but in exchange for this the military must be willing to put an end to General Manuel Antonio Noriega's command and allow a revision of the law that regulates the military.

FDP on Alert Due to 'Threat'

PA2703135489 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Mar 89 p A-1

[FDP communique dated 26 March]

[Text] All command levels of the FDP have declared themselves on a state of alert due to the threats made by [opposition vice presidential candidate] Ricardo Arias Calderon in today's issue of LA ESTRELLA DE PANAMA. These are the same threats made earlier by the U.S. Embassy in Panama, which shows that the Christian Democrats intend to carry out these devious plans without taking [progovernment coalition presidential] candidate Guillermo Endara into account.

This was stated by an official FDP spokesman.
Signed: Lieutenant Colonel Arnulfo Castrejon, Headquarters duty officer [Jefe de Plaza en la Comandancia]
Panama City, 26 March 1989

Workers Protest Seizure of Delvalle Sugar Mill

PA2703193189 Panama City ACAN in Spanish 1846 GMT 27 Mar 89

[Excerpt] Panama City, 27 Mar (ACAN-EFE)—Approximately 1,500 people marched today to protest the seizure of a business in which former President Eric Arturo Delvalle is a minor shareholder. The march took place in Aguadulce, 190 km southwest of Panama City.

A spokesman for "Azucarera Nacional" told ACAN-EFE that on 17 March Panamanian authorities ordered the seizure of this sugar mill that employs 4,000 workers, who at this moment are involved in harvesting sugarcane.

Sugarcane growers, "Azucarera Nacional" workers, drivers, and residents of El Roble and Aguadulce participated in the march to protest the seizure of the sugar mill.

The spokesman added that the seizure of "Azucarera Nacional" can endanger the operations of the mill and lead to its closure. As a result of this, 4,000 workers could lose their jobs.

The owners of the sugar mill appealed to the Supreme Court of Justice on 17 March, the day the seizure was ordered, but the court has not issued a ruling.

On 14 March, the "Azucarera Nacional" offices in Panama City were picketed by members of the so-called "Dignity Battalions," militiamen trained and armed by the Panama Defense Forces.

At that time, the militiamen accused Delvalle of taking more than $60 million of Panamanian money that has been frozen by the U.S. Government. The members of the "Dignity Battalions" asked that the sugarmill be seized in exchange for that money. [passage omitted]

Argentina

Justicialist Candidate Outlines Program

PY2803025889 Buenos Aires DYN in Spanish 1220 GMT 26 Mar 89

[Text] Buenos Aires, 26 Mar (DYN)—Justicialist presidential candidate Carlos Saul Menem has said that he did not promise to decree a "general wage increase" if he wins the 14 May presidential elections. He said the objective of Justicialism is to reactivate the productive sector. This can be accomplished "through a gradual salary increase."

He ruled out the possibility of engaging in any type of negotiation at the electoral college and said he is in favor of a direct election "without a runoff." He stated that in his opinion "a mechanism to allow greater participation by the other political parties in the government should be implemented."

"We do not believe that a government can remain isolated from the other political forces. Therefore, we advocate national unity."

In statements published today by the morning newspaper CLARIN, Menem pointed out that he did not know Colonel Mohamed Seineldin "personally," but he admitted that "some members of the Justicialist Party Defense Committee met Seineldin some time ago."

Concerning the military issue, Menem stated that he wants "professional armed forces that have contingency plans to face conflicts, have working plans for the development of the Army, and have garrisons stationed throughout the country. He wants the Armed Forces to manufacture material for defense and even to go into partnership with civilian companies, as happens in other countries, so that the Armed Forces can be self-sufficient, with the ability to export, like neighboring countries such as Chile and Brazil do."

Menem said: "While some sectors promote confrontation," the Justicialist Party proposes "a political alliance with all sectors to find a peaceful solution for the country and to make it more productive."

Menem added that his party seeks Argentina's integration "first with Latin America, to create a common market and to promote continental unity." When asked if it would not be more suitable to associate with the "First World, Menem said: "If we are allowed to go into partnership with the First World, great, but for the time being...."

Regarding the foreign debt, Menem said that "our payment schedule will be subordinated to our economic growth. Our payment schedule will be established following negotiation for a grace period, a deferral, or an agreed-upon moratorium that would permit the fulfillment of contractual obligations."

With respect to the economic issue, Menem said that if he wins the presidential elections he would like to have "a minister who can implement a program, not a superminister who proposes magic recipes." He then listed the tasks he regards as priorities.

He listed: the "middle Parana project; the channeling of the Bermejo River; the construction of the federal canal to irrigate more than 200,000 hectares in Tucuman, Santiago del Estero, La Rioja, and Catamarca Provinces, as well as northern Cordoba Province; full exploitation of the Negro River to triple the production of Alto Valle; the construction of deep water ports; the implementation of a hydroelectric dam that has been regarded as a priority for many years in Los Blancos, Mendoza Province; the construction of a water supply system for Comodoro Rivadavia; and the completion of the Yacyreta Dam and the Atucha II powerplant, because there is no production without energy."

Concerning privatization, Menem said that Peronists "are not in favor of or against privatization," adding that we are "pragmatic." He noted, however, that "we will not dispose of state properties all by ourselves or leave the decision to the whim of some government official. The Congress will participate in the decisions."

Finally, Menem said that "Argentines have lost almost 40 percent of their purchasing power in the last 5 years." He also advocated an agreement to solve the crisis, adding that "those who comply with their duties will be rewarded and those who fail will be punished, be they public servants or private citizens. We are convinced that both workers and businessmen are thoroughly aware of the difficult situation we are going through and that the social pact is the way to resolve it.

Menem Meets With Army Chief of Staff

PY2803114789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2245 GMT 26 Mar 89

[Text] Buenos Aires, 26 Mar (NA)—Today General Francisco Gassino, the Army chief of staff, told Peronist presidential candidate Carlos Menem that he is committed "to preserve the representative, republican, and federal system," and stressed that the Army "will definitely not be involved" in electoral or political matters.

Menem said that during his meeting with Gassino "we agreed that the Armed Forces must abstain from taking sides before, during, or after the election."

Menem and Gassino met today for about 2 hours at the Libertador Building where they discussed problems affecting the Armed Forces, and the Justicialist position regarding defense.

Menem was accompanied by Roberto Dromi, his personal representative before the Armed Forces. The Justicialist candidate talked to reporters after the meeting.

Menem told reporters: "We have a proposal for the Armed Forces. This proposal includes the development of the Armed Forces within the concept of our national defense, its professionalization, the redistribution of military jurisdictions, and the use of military factories to produce items needed by the country."

Menem said: "We talked about these topics, about the Armed Forces need to attain a greater operational capability given the size of our country, and of course, about reequiping them with the most modern weapons and the most advanced technology."

Menem said Gassino agreed with him "on these points" because "I think everyone agrees that we need to strengthen our institutions and our Armed Forces."

Menem denied discussing any electoral issue with Gassino, but added that they "talked about the need, and I ask the media to be objective about this, that the Armed Forces abstain from taking sides before, during, or after the election."

When the media insisted on the issue, Menem emphatically said: "The Army should avoid getting involved in local politics, as is the case everywhere else in the world."

Menem concluded by saying that he was "totally satisfied" with his meeting with Gen Gassino.

Shortly afterwards the Army General Staff released the following communique:

"At 1630 today Gen Francisco Gassino, chief of general staff, received the visit of FREJUPO [Justicialist Front of Popular Unity] presidential candidate Carlos Saul Menem who was accompanied by Jose Roberto Dromi.

"The meeting was conducted according to protocol but in a relaxed and easy climate.

"The Justicialist candidate showed great interest in the problems facing the Armed Forces, and fully acknowledged that problems do exist.

"Gen Gassino stressed the need for a true national reconciliation and warned the candidate about the resurgence of the scourge of terrorism, as shown during the La Tablada incident.

"Gen Gassino also stressed the efforts being made to consolidate the Army unity, and emphasized that his most important mission is to safeguard the highest national interests.

"Gen Gassino added that he is committed to preserve the representative, republican, and federal system as established by the Constitution, and to definitely abstain from taking sides in the political and electoral process.

"Gen Gassino, in accordance with this position, asked Menem to make every effort to prevent the involvement of the Army in the electoral process.

"Gen Gassino also talked about the main problems affecting the operational capability of the Army and the moral standing of the troops.

"Mr Menem listened to Gen Gassino's explanations with great interest and promised to look to the future, and to recognize the Constitutional role and importance of the Armed Forces."

Brazil

Leftist Parties Lead Presidential Polls

PY2703180189 Madrid EFE in Spanish
1555 GMT 26 Mar 89

[Text] Rio de Janeiro, 26 Mar (EFE)—Leonel Brizola, the socialist leader of the Labor Democratic Party (PDT), and Luiz Ignacio "Lula" da Silva, leader of the Marxist Workers Party (PT), top the latest nationwide polls, 8 months before the presidential elections in Brazil.

The Brazilian Public Opinion and Statistics Institute (IBOPE) today published the results of a poll showing that the left continues to pull ahead of the candidates of the center and the right.

In the latest poll, Brizola polled 17 percent of the votes, while "Lula" received 15 percent. These percentages are twice the 7 percent polled by Alagoas Governor Fernando Collor de Melo and Sao Paulo Governor Orestes Quercia.

Collor de Melo has no party, while Quercia is vying for the presidential candidacy with Ulysses Guimaraes, president of the Brazilian Democratic Movement Party (PMDB), who, despite his political prestige, polled only 6 percent of the votes.

According to the IBOPE survey, 50 percent of those polled did not have a candidate in mind and only expressed their preference from a list of 10 names.

Among those who did have a candidate in mind, 10 percent voted for Brizola; 8 percent, for "Lula"; 4 percent, for Collor de Melo; and 3 percent, for Orestes Quercia.

IBOPE considers that some of the candidates, such as the young governor of Alagoas, can draw large support whenever they begin to appear on the free radio and television programs, since they are now little known in the small cities. Other candidates, such as Brizola, may lose their ranking.

The survey also revealed that the most often rejected would-be presidential candidate is Paulo Maluf, with 43 percent of the negative votes, followed by Ulysses Guimaraes with 36 percent, and former President Janio Quadros with 29 percent.

In state capitals, Brizola and "Lula" are practically even, while Brizola leads in low-income regions.

Official Position of Foreign Debt in Dec '88

PY2703150089 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Mar 89 p B-6

[Text] Widely varied figures on the Brazilian foreign debt are being reported in both the Brazilian and foreign press. With the use of words such as "nearly" and "approximately" the Brazilian foreign debt was being understated or overstated by a good couple of billion dollars. The exact amount of the Brazilian foreign debt is nearly impossible to check. The only reliable official figure is published quarterly by the government in the publication BRAZIL: ECONOMIC PROGRAM.

The last issue of BRAZIL: ECONOMIC PROGRAM came out in December 1988. At that time, the total Brazilian foreign debt stood at $114,941,000,000. Of this total, $72,026,000,000 was owed to foreign commercial banks; $7,345,000,000 was owed to Brazilian banks abroad—including $4 billion to the Bank of Brazil, the largest creditor abroad—and $35,570,000,000 was owed to nonbanking institutions such as the IMF, the World Bank, and the Paris Club.

The same publication reports that at the end of last year, 47.6 percent of the Brazilian foreign debt was subject to the LIBOR (London Interbank Offered Rate) interest rate, which currently fluctuates between 10.5 and 11 percent per year; 14.2 percent of the debt was subject to the prime rate (the rate U.S. banks charge to preferred clientes), which is currently 11.5 percent. Sixty-eight percent of the foreign debt, the largest portion, is denominated in dollars; 11.2 percent is denominated in yen; and 7.6 percent is in Deutsche marks.

Creditors Wary of Country's Economic Situation

PY2703165789 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Mar 89 p B-1

[By Reporter Fernando Rodriguez]

[Text] In the last Brazilian foreign debt rescheduling agreement signed on 22 September 1988, only 261 foreign commercial banks participated with new money. FOLHA today publishes an exclusive list of those banks and the amount each lent to Brazil.

There was a large reduction in the number of creditor banks. In July 1986, 859 banks participated in one way or another, and more than 700 of them contributed some money. Since then, 548 of those banks have closed their credits to the Brazilian government, and only 261—69.61 percent less than before—still continue doing business with Brazil.

The reduced number of creditor banks is a clear sign of the foreign commercial banks' loss of confidence in the current Brazilian economic policy and of their unwillingness to extend credits to the country. According to former Central Bank president (1987-88) Fernando Milliet, "not even the large banks want to lend, but they do not have a way out and cannot get rid of all their Brazilian debt."

The most noticeable absence is that of the U.S. banks, which practically walked out of Brazil's foreign debt in the last 3 years. These small U.S. banks—which totaled 120 in 1986, and less than 50 today—practically threw away the Brazilian debt notes on the secondary market, where discounts have recently reached 72 percent of the notes' face value. They have sold the notes to recover part of their money and to quit participating in debt renegotiation with the Brazilian government.

Those small banks wanted to get rid of Brazilian notes mainly because they had to face new demands every time the foreign debt was renegotiated. When a bank is Brazil's creditor, the institution is obliged to loan more money as part of each renegotiation agreement. Should the institution refuse, its name is moved to the end of a list to receive interest payments or participate in relending operations (to earn interest on the relending of cruzados that were deposited in the Brazilian Central Bank as repayment of earlier dollar loans). For this reason, U.S. regional banks such as the Bank of Virginia, the Connecticut National Bank, and the First National Bank of Minneapolis, among others, have disappeared from the list of potential investors in the country.

Those banks prefer to take losses by selling the Brazilian debt notes they hold in the secondary market at a discount, rather than wait for Brazil to honor the full debt some day. Once, they had hoped to make a profit from the economic possibilities Brazil offered, which according to one New York banker, seemed to guarantee that interest would be paid on time.

Brazil now has one of the worst international images. No one has confidence that the Brazilian economy might recover in the short term, and the recent news on ecological devastation of the Amazon only reduces the Sarney government's credibility.

Chile

Agriculture Minister Returns From U.S.

PY2703140689 Santiago Domestic Service in Spanish 1030 GMT 27 Mar 89

[Excerpts] Agriculture Minister Jaime de la Sota has returned from the United States, where he and other Chilean officials successfully discussed the U.S. Government's decision to ban Chilean fruit. As a result of the discussions, the poisoned grape incident was entirely resolved.

Minister de la Sota will meet with President Pinochet today to report in detail on the results of his visit to the United States. [passage omitted]

Minister de la Sota returned from the United States yesterday, where he and Foreign Minister Hernan Felipe Errazuriz convinced the U.S. Government to suspend the ban on Chilean fruit. The ban lasted 4 long days and caused losses of from $100 million to $400 million. [as heard].

Minister de la Sota said the decision was made when Chile promised to intensify its quality control tests and security measures to prevent further poisoning of the fruit.

[Begin de la Sota recording] We succeeded in having the ban on all Chilean fruit except melons suspended. Our fruit is again being exported, and we saw them being sold at the U.S. markets. We hope the prices will remain the same. The fruit is currently being sold at a price very similar to the price prevailing before the grape incident. In general terms, the situation is much better. [end recording] [passage omitted]

Minister de la Sota also invited the government of all countries importing Chilean fruit—such as Japan, the United Arab Emirates, and the EEC—to send experts to Chile to check on the quality control processes. The prices will not go down on the international markets in view [words indistinct], and the situation will soon become normal. The entire incident, however, will have a cost. [passage omitted]

Church Council Claims 436 Political Prisoners

PY2003140789 Madrid EFE in Spanish 0848 GMT 19 Mar 89

[Text] Geneva, 19 Mar (EFE)—The Churches Ecumenical Council (COE) has pointed out in its last bulletin that, at the end of 1988, there were 436 political prisoners in Chile.

Quoting sources of the Christian Churches Social Assistance Foundation (FASIC), the COE reported that 384 of the 436 prisoners are men and 52 are women.

It adds that 32 percent of the 384 male prisoners have been sentenced to periods ranging from 5 to 10 years in jail; 26 percent have been sentenced to at least 5 years; 5 percent have been sentenced to periods ranging from 15 to 20 years; and 13 prisoners are currently serving life sentences.

Among the 52 women prisoners, 2 have been sentenced to death; 2 to periods ranging from 19 to 21 years; and 48 are waiting to be tried. Five of the women waiting to be tried have already been in jail for 8 years.

Nuclear Cooperation Agreement Signed With PRC

PY1703232889 Santiago Television Nacional de Chile in Spanish 1800 GMT 17 Mar 89

[Text] Chile and the PRC today signed a cooperation agreement on the peaceful use of nuclear energy.

The agreement was signed by China National Nuclear Corporation President Jian Xinxiong and by National Commission for Nuclear Energy Chairman Lieutenant General Hernam Brady.

The cooperation agreement provides for the promotion of scientific and technological research work through visits and the training of professionals in Chile and the PRC. The training will include subjects related to the geology, the mining, and the leaching of uranium.

Bomb Destroys Radio Station Equipment

PY2803010389 Santiago EL MERCURIO in Spanish 24 Mar 89 p C-7

[Text] Calama—According to police sources, equipment belonging to Radio Calama was destroyed as a result of a bomb attack carried out here in Calama last night against the radio station's transmission plant. The explosion occurred at 2030 GMT. It involved an antenna installed in one of Calama's suburbs. No one was injured.

Both the Carabineros and security service personnel of El Loa Province are making a strong effort to find the subversives who perpetrated the attack. The radio station was forced to stop broadcasting as a result of the explosion.

Air Force Commander Suffers Heart Trouble

PY2703203189 Santiago Radio Chilena Network in Spanish 1700 GMT 27 Mar 89

[Text] Brigadier General Fernando Matthei Aubel, commander in chief of the Chilean Air Force, has been released from the Air Force hospital where he had gone because of heart trouble.

His daughter Evelyn said the results of the tests were normal, and her father had had a coronary malfunction because of playing sports to excess and also owing to several problems that have been worrying him this month, which has been a difficult one for him. Matthei underwent by-pass surgery 8 years ago.

International Reserves Total Reported

PY1903020489 Santiago EL MERCURIO in Spanish 8 Mar 89 p B-1

[Summary] The Central Bank has reported that the international reserves totaled $2,730,600,000 in January 1989.

Wildcat Well Strikes Oil in Magallanes

PY1903003389 Santiago EL MERCURIO in Spanish 8 Mar 89 p C-5

[Text] Punta Arenas (Francisco Eterovic)—ENAP [National Petroleum Enterprise] yesterday reported that a wildcat well in Magallanes has indicated the presence of oil with an estimated daily production of 90 cubic meters. The well is located 2 km west of the San Sebastian Norte oilfield, southern Tierra del Fuego Island, 45 km from the town of Cullen.

Colombia

M-19 Guerrillas Killed; Internal Rift Seen

PA2803012689 Bogota Inravision Television Cadena 1 in Spanish 0010 GMT 28 Mar 89

[Text] The death of eight M-19 [19 April Movement] guerrillas near Pitalito, Huila Department, confirms the group's internal division. Rumors of the rift circulated for days, but this is the first evidence of the split. This means there are two groups in the M-19: those who talk about peace with the government and have moved to the Peace Village, and those who, weapons in hand, are allied with the Simon Bolivar Guerrilla Coordinating Board.

The eight guerrilla fighters who died in an attack on the police station in Bruselas, Huila, are members of the front led by Marcos Chalita, one of the M-19 factions. This means that even though part of the M-19 wants peace, another part does not.

Given this situation, the Army will mount operations against any M-19 members who do not settle in Santo Domingo, Cauca Department.

FARC Letter Seeks Trust for Peace Plan

PA2803021389 Bogota Inravision Television Cadena 1 in Spanish 0025 GMT 28 Mar 89

[Text] Sometimes the guerrillas issue letters. This time, a letter was sent by the Revolutionary Armed Forces of Colombia [FARC], the group that has Jacobo Arenas very active with the pen.

In a letter issued to the five members of the government commission of notables, Arenas asks them to trust the offer by the Popular Liberation Army [EPL] and the National Liberation Army [ELN] concerning the possibility of considering the government's peace plan.

The declaration is signed only by FARC, the ELN, and the EPL. The absence of the 19 April Movement [M-19] is explained because it is divided. The Zoraida Tellez and Marcos Chalita Fronts, which operate in Huila and Caqueta, separated themselves from Carlos Pizarro's men because they consider the agreements with the government are more a capitulation than a negotiation. Thus divided, they are not accepted in the Simon Bolivar Guerrilla Coordinating Board [CNG].

Referring to the proposals, the CNG declaration insists on a direct dialogue with former Presidents Pastrana and Lopez, Cardinal Revollo, and National Association of Industrialists President Fabio Echeverri. The CNG also insists on a cease-fire with defined terms, time, and conditions.

In fact, the ELN has suspended its attacks on oil facilities. According to the guerrillas, if a direct dialogue occurs, the humanization of the conflict must be sought according to international laws.

* Paramilitary Groups Seen Increasing

* Activities Under Investigation

33480134 Bogota EL ESPECTADOR in Spanish 19 Feb 89 pp 1-A, 8-A

[Text] Bogota—The designations "Fascist Red Army" of Granada and "National Socialist Student-Worker Movement", MOENS, of Medellin prove that the paramilitary groups are now far more than secret organizations of drug traffickers, livestock raisers, and businessmen formed to back the state's action against the guerrillas.

The self-styled movement, "Death to Revolutionaries of the Northeast," MRN, has been engaged since last year in "political activities," such as the (not yet very clear) liberation of two Antioquian Civil Defense board members in Magdalena Medio, on the same day as the Segovia massacre, which MRN planned.

And a similar number, such as the "Society of Friends of Ocana," "Love for the Plains," and "Colombian Anticommunist Youth," have never attempted to conceal their intentions of "purging the society" in the manner of Germany's National Socialists and Italy's Fascists during World War II. They even announce their presence by drawing the Nazi swastika on walls.

During their 8 years, the "Death to Kidnappers" group moved from assassinating identified, suspected, and presumed guerrillas, and expelling the guerrillas from their strategic bases in Puerto Boyaca and Cimatarra, to converting the former city into the "anticommunist capital of Colombia"; it is threatening to establish the same system in other "pacified" zones, which implies the elimination of leftist leaders, human rights activists, and now members of government agencies assigned to investigate its actions.

Fears are beginning to arise, not only because of the threat represented by paramilitarists of contaminating the philosophy of the state's institutions with their

practices. If they should actually defeat the guerrillas, what other activity would those "private armies" already clearly guided by fascism begin to carry out?

Trafficker Self-Defense

The origin of the paramilitary structures which are now located throughout over the country has been clearly determined in a pact among Mafia groups, after the kidnapping of Marta Nieves Ochoa, sister of the trafficker Jorge Luis Ochoa Vasquez, by an M-19 commando group.

In January 1981 the drug trafficking chiefs met in Cali, and agreed to contribute money and infrastructure for the formation of a group of hired killers to protect them from the guerrillas, with the immediate goal of rescuing Ochoa's sister. The initial capital was 280 million pesos, and just a week after the meeting Marta Nieves was rescued, and the members of the kidnapping commando group brutally murdered.

Initially in Magdalena Medio, where the Medellin Cartel chiefs were already established, and later in nearly all the guerrilla zones of influence, the creation of peasant "self defense groups" was fostered, because livestock raisers, ranchers, and traditional businessmen had found their capacity for tolerance exceeded by the constant "ticketing" by the guerrillas, and opted for private justice.

More recently, "private armies" have been organized to protect the drug growing zones from guerrilla harassment. The conflicts to seize absolute control of the drug traffic prompted the Mafia to use hired killers against the guerrillas' political representatives, in view of the inability to do so against their commanders.

At the end of 1987 the fascist group MOENS murdered 15 activists from Communist Youth of Colombia at their own headquarters, in the very center of Medellin, thereby beginning the series of massacres whose victims would be peasants politically identified or involved with guerrilla groups, and later the populations of municipalities politically controlled by Patriotic Union [UP].

The Armies

On 2 February 1988 the Mexican Attorney General's Office succeeded in uncovering the largest arms contraband ever reported in that country.

There were 800 AR-15 rifles, 600 AK-47 rifles, and 300 TEC-9 machine guns, which hundreds of Colombians and Americans had purchased by mail and at markets in several American states for over 4 months, and which had been combined in a single shipment and exchanged for cocaine on the Rio Grande border, as the investigation established.

But more than one contraband shipment of this type must certainly have managed to enter Colombia, bound for the paramilitary groups; a month before the discovery in Mexico the common denominator between the massacres and the resulting acts of revenge was the shots from an AR-15 rifle, and the fact that, in 3 months of raids on Mafia properties, over 400 of those rifles (a "civilian" weapon in the United States) were confiscated.

As was proven in the investigation of the massacre in San Vicente de Chucuri (24 June 1988), on more than one occasion deserters from the FARC [Revolutionary Armed Forces of Colombia] and ELN [Army of National Liberation] have been received "in a friendly way" by the paramilitary groups, as informants, trainers, and executors. Trained along with them have been peasants who are victims of the guerrillas (such as the "Little Orphans" commando group in Cimitarra), and drug addicts who are promised protection in exchange for their conversion to the anticommunist cause.

In most of the paramilitary massacres a common denominator has also been the uniforms of the hired killers and the sophisticated communications equipment used by them, as well as the modern all-terrain vehicles in which they escape after their acts, bound for Magdalena Medio.

The strategic position of Magdalena Medio and Puerto Boyaca, in particular, guarantees the almost immediate mobilization of hired killers to any site in Antioquia, Santander, the Eastern Plains, Cundinamarca, the Coffee Zone, the Atlantic Coast, and Boyaca.

Hence the importance that the drug traffickers have attached to the purchase of farms in that zone, where over 10 schools for paid killers have been completely established, but thus far it has proven impossible for the judicial authorities to enter and dismantle them.

The judicial investigations have discovered that the collections for the support of Magdalena Medio paramilitary groups are taken through bank accounts controlled by the zone's Livestock Raisers Association (ASDEGAN), in which all ranchers are required to make monthly deposits, keeping the account number strictly secret, under penalty of death or banishment.

After the Magdalena Medio and Santander massacres the drug traffickers arrived, hoping to purchase farms at low prices, as did peasants who were strangers to the region and willing to cooperate with the action of the paramilitary groups.

In Uraba and Cordova the situation is different, because it involves "protecting" the large Mafia investments in the livestock industry and agroindustry in the zone from guerrilla influence, and keeping the armed rebels away from one of the most strategic locations for smuggling drugs, weapons, chemical compounds, and all types of goods, given its proximity to Panama.

In addition, it is a matter of destroying the political plan of the FARC calling for the unified guerrillas, by the end of this year, to have absolute control over Uraba, and, from there, undertaking a new phase of their armed struggle for power, in a war of positions with the armed forces.

At first the paramilitary, and now the guerrillas, have had unlimited financing to maintain a level of violence, the immediate consequence of which is the weakening of the state, and, within it, of the justice system, enabling those groups to continue benefiting from the drug traffic with fewer obstacles.

* Threat Viewed

33480134 Bogota EL ESPECTADOR in Spanish 19 Feb 89 p 2A

[Text] It was the government's inability to fulfill the constitutional principles that speak of protection of the lives, honor, and possessions of the nation's residents that gave rise to the paramilitary groups. There has always been a certain amount of public suspicion which vetoes in advance, and without any great capacity for judgment, any measure aimed at reinforcing the state's military or police system both in terms of numbers and the supply of weapons. As a result, a power vacuum has been created which the subversive movements are utilizing to increase their advantage in the area of armed confrontations.

Now then, the so-called self defense was that at first: a state of legitimate defense of the lives and property of those in rural sections being subjected to extortion, kidnapped, threatened with death, and even murdered. Thereafter, this became a mercenary industry, hiring paid killers, and bringing as a result the dispersion of the state in the most fundamental of its social functions.

At the same time, the immense monster of the drug traffic continued to grow along with it. Its dollar resources in the multimillions were being dispersed toward activities different from those of its original source, seeking in the countryside, in rural areas, an easy means of laundering the ill-gotten foreign currency. This gave rise to the connection between the guerrillas and the drug traffic, and the former became armed protectors of the latter, in return for a share in the fatal business. But since human ambition knows no limits, the guerrillas, in turn, became coca growers and processors. This was what generated another armed confrontation between the two, and paramilitary groups from the drug traffic began to "settle scores" with their former protectors.

Today, the paramilitary groups have as many origins as types of activity and precise goals to achieve. [There are] those that may have arisen from the livestock raisers' self defense, perhaps eclipsed by the ones following: those emerging from guerrilla protection of the drug traffic; and beyond them, the groups per se, armed by the major cocaine capos. But a challenging group has also emerged facing the latter: that of their own mercenaries who, in view of the productive operation of the "business," have also decided to become established on their own, and are now vying with their former bosses and protectors.

There are vast areas of the national territory deeply affected by the disgraceful phenomenon: Meta, Santander, Antioquia, Cordoba, Boyaca, Cesar, Norte de Santander, and Casanare, in particular. The blood-stains tell of the murders of 17 merchants in October 1987, in Magdalena Medio; the incidents in Mejor Esquina; and later, the killing of five detectives in Buenavista, Cordoba, to cite only the most grievous and highly notorious cases. Just 5 days ago the guerrillas attacked and killed in cold blood the defenseless occupants of a boat near Magangue, doing this "by mistake."

The country is infested; and the worst part about it is that this entire gory process has immediate political consequences, and threatens institutional stability more seriously than anything else. Magdalena Medio is by now almost lost, or completely lost. There is every indication that, in the next mayoral elections, this section of the country will be left definitively in paramilitary hands, whether it be the drug traffic or the guerrillas contaminated by the drug traffic; we must not forget for an instant that the guerrillas are a paramilitary organization, since they are irregular armed forces, in confrontation with the regular army of constitutional origin.

Thusn, one would have to speak of drugs and arms smuggling and, as part of that sinister process, about paramilitary action: the drug traffic, the guerrillas, and the hired killers who work on their own.

Ecuador

Yearly Inflation Rises to Over 90 Percent

PA1703193889 Guayaquil EL UNIVERSO in Spanish 6 Mar 89 p 2

[Summary] Continuing an upward trend, inflation increased 5.83 percent in February, bringing the yearly accumulated figure to 90.93 percent.

Oil Exports Reach 55.3 Million Barrels in 1988

PA1903143889 Quito Voz de los Andes in Spanish 1200 GMT 15 Mar 89

[Summary] Ecuadoran Energy and Mines Minister Diego Tamariz has reported Ecuador exported 55.3 million barrels of oil to the international market in 1988. He said 1988 exports exceeded those of 1987 by 11 percent, according to National Hydrocarbons Directorate figures.

Paraguay

Reportage on Election Candidates, Plans

Laino Appointed for President

PY2703134189 Asuncion ABC COLOR in Spanish 27 Mar 89 p 2

[Excerpt] After a 2-day convention, the Authentic Radical Liberal Party (PLRA) decided to take part, with certain conditions, in the 1 May general elections. Of the delegates attending the convention, 356—or 77 percent—voted to take part in the elections, and 106—or 23 percent—voted against it.

Some 74.8 percent of the authorized delegates attended the convention, during which Domingo Laino was unanimously appointed presidential candidate. The list of candidates for senator was also unanimously approved. The conventioneers also approved a list of conditions for continued PLRA participation in the country's democratization process. [passage omitted]

Laino Promises No Voter Deception

PY2703175389 Asuncion ABC COLOR in Spanish 27 Mar 89 p 3

[Excerpt] After being unanimously appointed presidential candidate at the Authentic Liberal Radical Party [PLRA] convention last night, Domingo Laino said: "I can assure you, conventioners of the city, and of the interior, that you have elected a presidential candidate who will never deceive you. You can be sure, PLRA conventioneers, that this social struggle, which is one of my political concerns, will be put to the service of the people's interests more than ever before because our people deserve a better life."

To the sound of vivas and hurrays, Laino added that his political campaign will be handicapped because "we do not have the funds of the Colorado Party and cannot count on the government support as they can. We cannot count on the wealth of the party members who will support the Colorado Party, but our party has a different type of wealth. This wealth cannot be measured in dollars or sterling pounds. Our wealth consists of clean hands and moral force. These are stronger than money. We will use this wealth to clean up Paraguay."

The PLRA presidential candidate said that some government sectors will try to use the PLRA to legitimize the de-facto regime. "The Paraguayan people," he said, "not only the PLRA members will vote for us when they realize that we have clean hands."

He also said that "from now on, the Liberal Party members and the Colorado Party members must convince themselves that we are not taking part in these elections out of vanity or in an attempt to obtain more political clout. They must realize that, despite all our disadvantages, we are seriously running for the Presidency, are willing to win, and really may win." [passage omitted]

PLRA To Participate

PY2703153789 Asuncion ABC COLOR in Spanish 27 Mar 89 p 2

[Text] Here are the conditions under which the Authentic Radical Liberal Party (PLRA) has decided to participate in the 1 May elections. These are the points that must be fulfilled in a transition stage: [as published]

a) Reasons for not participating in elections to be held on 1 May 1989

1. If there is a significant curtailment of the current individual freedom or if human rights are repeatedly violated. In this eventuality, the convention authorizes the party board to adopt the pertinent measures.

b) Reasons for PLRA representatives not to participate in Congress

1. If there is a generalized fraud on election day and/or on the days following the elections.

2. If indelible ink is not used, or if it is improperly used.

In these cases the convention authorizes the party board to adopt the pertinent measures.

c) Reasons why PLRA representatives may withdraw from Congress

1. If, during the current congressional period, Congress does not discuss and approve an electoral law that includes the demands established by the National Accord and the PLRA.

2. If, during the 1989 congressional period, the laws that curtail freedom are not repealed.

3. If all political parties do not participate on an equal basis in the drafting of a new electoral registry for the 1990 municipal elections.

4. If a national constituent assembly is not called at the proper time.

5. If Congress does not approve a new military statute establishing the institutionalization of the Armed Forces and prohibiting Armed Forces members from registering in political parties.

6) If after being elected on 1 May, General Rodriguez seeks reelection in 1993.

Under any of these situations the party board must summon an extraordinary convention at which to adopt the pertinent measures.

PLRA Candidates Listed

PY2703155689 Asuncion ABC COLOR in Spanish 27 Mar 89 p 4

[Text] At almost midnight last night, the Authentic Radical Liberal Party (PLRA) chose 72 candidates for deputy and 42 alternates and the 36 candidates for senator and 21 alternates who will represent the PLRA in the 1 May general elections. There was practically no difficulty in agreeing on the candidates' names. The major discussion was on the importance of taking part or not taking part in the upcoming elections.

The following are candidates for senator: 1. Juan Manuel Benitez Florentin, 2. Jose Felix Fernandez Estigarribia, 3. Adalberto Mongelos, 4. Augusto Brun, 5. Luis Guanes Gondra, 6. Deferino Villalba, 7. Gustavo Riart Ortellado, 8. Cesar Benitez, 9. Luis Alberto Wagner, 10. Carlos Caballero Roig, 11. Adalia del Puerto Schaerer, 12. Maria Jose Rolon, 13. Mauri Arza Huerta, 14. Victor Cardoso, and 15. Alcides Frutos.

The following are also candidates: Atilio Martinez Casado, Celso Velazquez, Ricardo Jara, Ignacio Musmesi, Reinaldo Valenzuela, Francisco Jose de Vargas, Justo Morales, Augusto Monges, Adolfo Ortiz, Antonio Irigoitia, Luis Delorme, Oscar Portillo, Pedro Martinez, Felipe Duarte, Pedro Flores, Nieves Cabrera de Vera, Alejandro Rolon, Nicasio Garcia, Ladislao Britos Ferrari, and Wilfrido Gavilan.

The following can also be elected deputy: Mario Pavon, Zenen Ortiz, Felipe Roman, Francisco Benitez, Clarisa Miranda, Aurelio Torres, Hugo Villalba, Jorge Sanchez, Vidal Rotela, Cristobal Olazar, Javier Quevedo Pfannl, and Ines Kaatz de Torres.

The following are alternate candidates: Juan Manuel Marcos, Antonio Ferreira, Julio Garcete, Julian Vera, Edmundo Vargas, Nils Gustafson, Monica de Gaona, Mariano Nunez, Ceferino Rotela, Raimundo Soza, Luis Maria Careaga, Basilio Duarte, Carlos Ortellado, Teodoro Gonzalez, and Wilfrido Martinez.

The following are candidates for senator: 1. Domingo Laino, 2. Juan Carlos Zaldivar, 3. Carmen Casco de Lara Castro, 4. Manuel Augusto Radice, 5. Silvio Velazquez, 6. Nelson Garcia Ramirez, 7. Rodolfo Gonzalez Caravelli, 8. Rodrigo Campos Cervera, 9. Evelio Fernandez Arevalos, 10. Jorge Luis Barbosa.

The following candidates are also on the list: Ludovico Tessada, Victor Zavala, Francisco Ayala, Carlos Villagra Marshall, Dolores Ferreira de Ayala, Guaran Cabrera, Victor Manuel Gonzalez, Melanio Pereira, Carmen Viuda de Garcete, and Sinforiano Leguizamon.

The alternate candidates for Senate are: Felix Torres, Juan Felix Bogado Gondra, Victor Manuel Rodriguez, Dora de Ruttia, Silvio Brizuela, Simon Martinez, Miguel Angel Godoy, Miriam Doldan de Rivarola, Francisco Sosa, and Anacleto Lopez.

PRF Releases Candidate List

PY2703153389 Asuncion ABC COLOR in Spanish 26 Mar 89 p 6

[Text] The Febrerista Revolutionary Party has released its list of candidates for the 1 May elections that will be submitted to the Central Electoral Council tomorrow. The list is headed by Fernando Vera as presidential candidate.

The list of candidates for senators are: Fernando Vera, Jorge del Puerto, Juan G. Granada, Oscar Acuna Torres, Alarico Quinonez, Miguel Vachetta, Pedro Coelho de Souza, Fernan Diaz Perez, Carlos A. Benitez Garcia, Victor Salomoni, Jose A. Duarte, Rafael Casabianca, Nimio Nunez, Benigno Porrotta, Desiderio Fernandez, Domingo Banuelos, Ernesto Baez, Juan Speratti, Anibal Medina, Ruben Parra, and 16 others. There are also 32 names of alternate candidates.

The candidates for deputies are: Ricardo Lugo, Arnaldo Llorens, Euclides Acevedo, Anibal Carrillo, Diana Banuelos, Cesar Baez Samaniego, Desiderio Arzamendia, Julio A. Medina, Jaime O. Duarte, Roberto Ferreiro, Roberto Cespedes, Enrique Sanchez, Rodrigo Zelada, Guido Rodriguez Alcala, Oscar W. Velazquez, Luis Campos, Ricardo Canese, Nicasio Vera, Victor Dure, and Oscar Zelada. There is also an additional list of 52 candidates and 32 alternate candidates.

MDP Not To Participate

PY2703150789 Asuncion ABC COLOR in Spanish 27 Mar 89 p 5

[Excerpt] Yesterday the Popular Democratic Movement (MDP) decided not to register with the Central Electoral Council; it will not, therefore, participate in the 1 May elections. The decision was made in a special congress held in the Jacinto Herrera Theater of Radio Nanduti.

At the closure of the Congress the group that voted "No to registration and participation, but clean and democratic elections" won by 41 votes to 40 over the other group advocating "registration, but blank votes." [passage omitted]

Former Official Linked to Arms for RSA

PY2703145789 Asuncion ABC COLOR in Spanish 26 Mar 89 p 14

[Text] Darcy Saavedra, former customs official of the Brazilian Finance Ministry, has said that on 30 May 1978 [as published] he was informed that the "Itapage" cargo ship of the Brazilian Lloyd company would arrive at the Paranagua port carrying military equipment from the FRG in transit to Paraguay.

Saavedra said that when the cargo arrived he was visited by Justo Eris Almada [former Paraguayan consul and manager of the Paraguayan free port in Paranagua and currently under arrest], who requested that the cargo not be unloaded into the Paraguayan warehouse or put into the port railroad cars, but that it be immediately reexported on his authorization. Saavedra said that he could not release the cargo and demanded that Almada ask the directors of Sudamericana Paraguaya Exportacion-Importation S.R.L. to come to the Brazilian Finance Ministry Customs Office.

Saavedra later carefully read the bill of lading, which said that the ship carried "a plant for making artillery ammunition and warheads for up to 203-mm rockets." Alarmed by the importance of the cargo, Saavedra talked to his superior, who told him that this type of operation was prohibited.

The ship arrived in Paranagua on 5 May. A few hours before the ship docked Saavedra received a telex from the exporter in Germany. The telex said that "there was a mistake in the description of the merchandise" and that the cargo contains parts for assembling a metal foundry in Durban, South Africa.

Therefore, as if by magic, the arms shipment that Almada wanted released as soon as possible became machinery for a metals factory without any reference to ammunition or war materiel.

After checking with his superiors and with officials who understand legal procedures, Saavedra authorized the reexportation of the cargo without meeting with those responsible for the importation.

The "Itapage" left Paranagua on 15 June 1987 carrying its cargo to South Africa, where armed clashes are a daily event due to racial discrimination.

Sometime later Saavedra was suspended. After an investigation he was dismissed and deprived of his retirement benefits.

In the face of the many accusations against Almada, the Chamber of Deputies of Parana State has created an investigation committee. Saavedra testified before the committee. Regarding the reexportation of arms from Germany to Durban, South Africa by Paraguayan businessmen, Saavedra said that he was deceived by Almada.

Saavedra also said that in three other similar shipments 300 tons of weapons were reexported to a country that has been banned from purchasing arms. Saavedra said that he was deceived by Almada in the documentation.

The Brazilian Congress is currently reviewing all the documents and accusations about this triangular operation and a resolution is expected.

Judge Blocks Stroessner Son's Bank Accounts

PY2703161189 Asuncion ABC COLOR in Spanish 26 Mar 89 p 13

[Excerpts] Judge Dario Caballero Bracho has ordered the blocking of all bank accounts in the name of the son of former President Alfredo Stroessner, Gustavo Stroessner Mora, in Paraguay and abroad (Spain, Switzerland, the United States, and other countries), and has begun proceedings against him on charges of corruption.

The judge, who already ordered his preventive custody, will publish for 15 days a call for Stroessner to come to court to testify. [passage omitted]

The judge already ordered an investigation into the accounts of companies that he is said to own: Alfa Beta Construction, Bancopar (Bank of Paraguay), Entrecanales y Tabora, Hotelera del Paraguay (Hotel Guarani), and The Mundo Insurance Company in which he is reportedly an important partner. The judge will also reportedly request an investigation on Stroessner's participation in the administration of the Asuncion Bus Station. [passage omitted]

If Gustavo Stroessner does not appear in court following the call—it is assumed that he will not appear—the judge will order his imprisonment. At this point a note will be sent to Interpol for his arrest and extradition.

Former President Stroessner has also been accused of crimes against the state and his extradition has been requested. The judge has not yet started any proceedings or made an official request for his extradition.

Argentine Foreign Minister To Visit in April

PY2703141189 Asuncion PATRIA in Spanish 27 Mar 89 p 13

[Excerpt] The Argentine Foreign Minister and president of the UN General Assembly, Dante Caputo, will visit Paraguay around 10 April at the invitation of Paraguayan Foreign Minister Luis Maria Argana, who returned from Buenos Aires at 1000 yesterday. [passage omitted]

Finance Minister Returns From IDB Meeting

PY2703141289 Asuncion HOY in Spanish 27 Mar 89 p 17

[Excerpt] Paraguay has received offers of credit for amounts larger than it can accept. Our country has also received nonreimbursable credits that will be negotiated soon. These comments were made by Finance Minister Enzo Debernardi upon returning from the 30th annual meeting of IDB governors, who discussed the Latin American foreign debt as their main issue. [passage omitted]

Venezuela

Government Discusses Plan To Create 100,000 Jobs

PA2703131689 Paris AFP in Spanish
1512 GMT 26 Mar 89

[Text] Caracas, 26 Mar (AFP)—The Venezuelan paper EL NACIONAL said today that Venezuela is discussing with the IMF a plan to create 100,000 jobs this year at a cost of approximately $700 million.

According to EL NACIONAL, the plan was discussed last Tuesday in Amsterdam, where Venezuelan Planning Minister Miguel Rodriguez and Ted Beza, IMF director for the Western Hemisphere, attended the Inter-American Development Bank annual assembly.

Venezuela would obtain the resources to carry out this plan through an increase of its fiscal deficit and with the money that will be available as a result of the suspension of the payment of the foreign public debt interest, which was announced in January.

The plan would include the construction of social infrastructure (schools, home improvements), because it is estimated that those areas require the most jobs.

On 13 March, the Venezuelan Government declared a 4-month firing freeze, preventing an increase in the number of dismissals after the implementation of a harsh program of economic adjustments agreed upon with the IMF.

Only 3 days after declaring the firing freeze, Venezuelan Labor Minister Marisela Padron admitted that her office has had reports of over 10,000 unjustified dismissals.